

**Objection Deadline:** October 8, 2018 at 4:00 p.m. (AST)

**Hearing Date and Time:** TBD by Court, if necessary

**UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO**

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In re:	PROMESA
THE FINANCIAL OVERSIGHT AND	Title III
MANAGEMENT BOARD FOR PUERTO RICO,	No. 17 BK 3283-LTS
as representative of	(Jointly Administered)
THE COMMONWEALTH OF PUERTO RICO, et	
al.,	
Debtors. <sup>1</sup>	

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In re:	PROMESA
THE FINANCIAL OVERSIGHT AND	Title III
MANAGEMENT BOARD FOR PUERTO RICO,	No. 17 BK 3284-LTS
as representative of	
THE PUERTO RICO SALES TAX FINANCING	<b>This Urgent Motion relates to the</b>
CORPORATION,	<b>Commonwealth and COFINA and</b>
Debtor.	<b>shall be filed in Case Nos. 17 BK</b>
	<b>3283-LTS and 17 BK 3284-LTS.</b>

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**NOTICE OF URGENT MOTION**

**PLEASE TAKE NOTICE** that the Commonwealth of Puerto Rico (the “Commonwealth”), the Puerto Rico Sales Tax Financing Corporation (“COFINA”), the Puerto

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Rico Highways and Transportation Authority (“HTA”), the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”), and the Puerto Rico Electric Power Authority (“PREPA,” and together with the Commonwealth, COFINA, HTA, and ERS the “Debtors”), as Title III debtors, by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the Debtors’ representative pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”), is filing the annexed *Urgent Motion for Entry of Order Establishing Hearing Dates to (I) Determine the Adequacy of Information in the COFINA Disclosure Statement, (II) Approve the Rule 9019 Settlement of the Commonwealth-COFINA Dispute in the Commonwealth Title III Case and (III) Confirm the COFINA Plan of Adjustment* (the “Urgent Motion”).

**PLEASE TAKE FURTHER NOTICE** that any responses or objections to the Urgent Motion must be in writing, must conform to the Federal Rules of Bankruptcy Procedure and the *Sixth Amended Notice, Case Management and Administrative Procedures* [ECF No. 3804] (the “Case Management Procedures”), and must be filed with the Court (a) by registered users of the Court’s case filing system, electronically in accordance with rule 5 of the Local Rules for the District of Puerto Rico, and (b) by all other parties in interest, on a CDROM, in text-searchable portable document format (PDF), and served on (i) counsel for the Oversight Board, Proskauer Rose LLP, Eleven Times Square, New York, New York 10036-8299 (Attn: Martin J. Bienenstock, Esq., Paul V. Possinger, Esq., and Ehud Barak, Esq.), and O’Neill & Borges LLC, 250 Muñoz Rivera Ave., Suite 800, San Juan, PR 00918-1813 (Attn: Hermann D. Bauer, Esq.); (ii) counsel for the Puerto Rico Fiscal Agency and Financial Advisory Authority, O’Melveny & Myers LLP, 7 Times Square, New York, New York 10036 (Attn: John J. Rapisardi, Esq., Suzanne Uhland, Esq., and Peter Friedman, Esq.) and Marini Pietrantoni Muñiz LLC, MCS

Plaza, Suite 500, 255 Ponce de León Ave., San Juan, PR 00917 (Attn: Luis C. Marini-Biaggi, Esq.); and (iii) the Office of the United States Trustee for Region 21, Edificio Ochoa, 500 Tanca Street, Suite 301, San Juan, PR 00901-1922, so as to be received no later than **October 8, 2018 at 4:00 p.m. (Atlantic Standard Time)**.

**PLEASE TAKE FURTHER NOTICE** that, if necessary, a hearing will be held before the Honorable Laura Taylor Swain, United States District Court Judge, at a time and place to be determined by the Court, to consider the relief sought by the Debtors in the Urgent Motion.

**PLEASE TAKE FURTHER NOTICE** that the relief requested in the Urgent Motion may be granted without a hearing if no objection is timely filed, served, and received in accordance with the Case Management Procedures.

**PLEASE TAKE FURTHER NOTICE** that copies of the Urgent Motion and all documents filed in these title III cases are available (a) free of charge by visiting <https://cases.primeclerk.com/puertorico> or by calling +1 (844) 822-9231, and (b) on the Court's website at <http://www.prd.uscourts.gov>, subject to the procedures and fees set forth therein.

*[Remainder of Page Intentionally Left Blank]*

Dated: October 4, 2018  
San Juan, Puerto Rico

Respectfully submitted,

/s/ Martin J. Bienenstock

Martin J. Bienenstock

Paul V. Possinger

Ehud Barak

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(Admitted *Pro Hac Vice*)

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Debtors*

**Objection Deadline:** October 8, 2018 at 4:00 p.m. (AST)

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**UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO**

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THE FINANCIAL OVERSIGHT AND	Title III
MANAGEMENT BOARD FOR PUERTO RICO,	No. 17 BK 3283-LTS
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In re:	PROMESA
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MANAGEMENT BOARD FOR PUERTO RICO,	No. 17 BK 3284-LTS
as representative of	
THE PUERTO RICO SALES TAX FINANCING	<b>This Urgent Motion relates to the</b>
CORPORATION,	<b>Commonwealth and COFINA and</b>
Debtor.	<b>shall be filed in Case Nos. 17 BK</b>
	<b>3283-LTS and 17 BK 3284-LTS.</b>

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**URGENT MOTION FOR ENTRY OF ORDER ESTABLISHING HEARING DATES  
TO (I) DETERMINE THE ADEQUACY OF INFORMATION IN THE COFINA  
DISCLOSURE STATEMENT, (II) APPROVE THE RULE 9019 SETTLEMENT OF  
THE COMMONWEALTH-COFINA DISPUTE IN THE COMMONWEALTH  
TITLE III CASE AND (III) CONFIRM THE COFINA PLAN OF ADJUSTMENT**

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Honorable United States District Court Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico (the “Commonwealth”), the Puerto Rico Sales Tax Financing Corporation (“COFINA”), the Puerto Rico Highways and Transportation Authority (“HTA”), the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”), and the Puerto Rico Electric Power Authority (“PREPA,” and together with the Commonwealth, COFINA, HTA, and ERS the “Debtors,” and each individually a “Debtor”), as Title III debtors, by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the Debtors’ representative pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),<sup>2</sup> respectfully submit this urgent motion (the “Urgent Motion”), for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), scheduling a hearing (i) to determine the adequacy of information in the COFINA disclosure statement for November 20, 2018, at 10:30 a.m. AST (9:30 a.m. ET) in New York, New York, and (ii) to (A) approve the Rule 9019 settlement of the Commonwealth-COFINA dispute in the Commonwealth title III case, and (B) confirm the COFINA plan of adjustment, for January 16, 2018, at 9:30 a.m. AST (8:30 a.m. ET) in San Juan, Puerto Rico, and continued, if necessary, on January 17, 2018 at 9:30 a.m. AST (8:30 a.m. ET) in San Juan, Puerto Rico. In support of this Urgent Motion, the Debtors respectfully represent as follows:

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<sup>2</sup> PROMESA has been codified in 48 U.S.C. §§ 2101–2241.

### **Background**<sup>3</sup>

1. On August 10, 2017, this Court entered the Stipulation which, among other things, established the Commonwealth Agent and COFINA Agent, as agents of the Oversight Board, in an effort to advance the Title III Cases and to facilitate the litigation or settlement of the Commonwealth-COFINA Dispute. *See* [ECF No. 996].

2. On September 8, 2017, pursuant to the Stipulation, an adversary proceeding was commenced by the Commonwealth Agent seeking, among other relief, a declaratory judgment regarding issues underlying the Commonwealth-COFINA Dispute [Adv. Proc. No. 17-257, ECF No. 1].

3. On June 7, 2018, the Commonwealth Agent and the COFINA Agent submitted a joint informative motion with the Court, indicating an agreement in principle had been reached to resolve the Commonwealth-COFINA Dispute, and attached such agreement, dated June 5, 2018 thereto [Adv. Proc. No. 17-257, ECF No. 486].

4. On August 8, 2018, the Oversight Board announced the terms of a Title III plan of adjustment for COFINA (the “COFINA Plan”) with the support of COFINA’s creditors, including COFINA’s senior and subordinate bondholder groups and monoline insurers. The proposed COFINA Plan establishes an initial recovery for COFINA senior bondholders of approximately 93%, and an initial recovery for COFINA subordinate bondholders of approximately 56.4%.

5. On August 29, 2018, the Debtors entered into a plan support agreement, as amended and restated on September 20, 2018 (the “Plan Support Agreement”), executed by,

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<sup>3</sup> Capitalized terms used but not defined shall have the meanings given to them in the *Motion of Debtors for Order Approving Procedure to Resolve Commonwealth-COFINA Dispute* [ECF No. 303].

among others, the Puerto Rico Fiscal Agency and Financial Advisory Authority, COFINA, the Oversight Board, senior and subordinate COFINA bondholder groups, and monoline insurers. The Plan Support Agreement set forth certain milestones for the filing of the COFINA Plan and related disclosure statement (the “COFINA Disclosure Statement”), as well as a motion pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure approving the compromise and settlement of the Commonwealth-COFINA Dispute (the “Settlement Motion”). Such documents are required to be filed with the Court no later than October 15, 2018.

### **Relief Requested**

6. In order to consummate the agreement reached in the Plan Support Agreement, confirm a plan of adjustment for COFINA under Title III of PROMESA, and provide parties in interest notice of the timeline the Debtors anticipate proceeding thereto, and after consultation with the Court, the Debtors hereby request entry of an order establishing (a) a hearing date to consider approval of the COFINA Disclosure Statement, and (b) assuming the Court approves the adequacy of the information contained in the COFINA Disclosure Statement in accordance with section 1125 of the Bankruptcy Code, applicable to the Title III cases pursuant to Section 301 of PROMESA, hearing dates to consider approval of the Settlement Motion and confirmation of the COFINA Plan, as follows:

- A hearing to determine the adequacy of information in the COFINA Disclosure Statement on **November 20, 2018, at 10:30 a.m. AST (9:30 a.m. ET)** at the United States District Court for the Southern District of New York, **Daniel Patrick Moynihan Courthouse, 500 Pearl Street, New York, NY 10007, Courtroom 17C** or at a courtroom to be later determined.



- The hearing to (i) approve the Settlement Motion, and (ii) confirm the COFINA Plan on **January 16, 2018, at 9:30 a.m. AST (8:30 a.m. ET) in San Juan**, and continued, if necessary, on **January 17, 2018 at 9:30 a.m. AST (8:30 a.m. ET) in San Juan** at the United States District Court for the District of Puerto Rico, **Clemente Ruiz Nazario United States Courthouse, 150 Carlos Chardón Avenue, San Juan, P.R. 00918, Courtroom 5**, or at a courtroom to be later determined.

7. Pursuant to Paragraph I.H of the Case Management Procedures, the Debtors hereby certify that they have carefully examined the matter and concluded that there is a true need for an urgent motion; have not created the urgency through any lack of due diligence; have made a bona fide effort to resolve the matter without a hearing; and have made reasonable, good-faith communications in an effort to resolve or narrow the issues that are being brought to the Court. Additionally, the Debtors have conferred with counsel to the statutory committee of unsecured claimholders (the “UCC”) and the appointed committee of retirees the (“Retiree Committee”) and have been informed as follows: (a) the UCC consents to the dates as set forth in this Urgent Motion and (b) the Retiree Committee takes no position with respect to such dates and reserves its rights in connection with the matters to be heard at the scheduled hearings. Further, the Debtors have conferred with the parties to the Plan Support Agreement, and they support the relief requested herein.

#### **Notice**

8. The Debtors have provided notice of this Urgent Motion to: (a) the Office of the United States Trustee for the District of Puerto Rico; (b) the indenture trustees and/or agents, as applicable, for the Debtors’ bonds; (c) the entities on the list of creditors holding the 20 largest unsecured claims against COFINA; (d) the statutory committees appointed in these Title III Cases; (e) the Office of the United States Attorney for the District of Puerto Rico; (f) counsel to

the Puerto Rico Fiscal Agency and Financial Advisory Authority; (g) the Puerto Rico Department of Justice; and (h) all parties filing a notice of appearance in these Title III Cases. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

**No Prior Request**

9. No prior request for the relief sought in this Urgent Motion has been made to this or any other court.

*[Remainder of Page Intentionally Left Blank]*

**WHEREFORE** the Debtors respectfully request the Court to enter an order, substantially in the form attached hereto as **Exhibit A**, (a) granting this Urgent Motion, and (b) granting the Debtors such other relief as is just and proper.

Dated: October 4, 2018  
San Juan, Puerto Rico

Respectfully submitted,

/s/ Martin J. Bienenstock

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Paul V. Possinger  
Ehud Barak  
Maja Zerjal  
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as representative for the Debtors*

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*Co-Attorneys for the Financial  
Oversight and Management Board  
as Representative for the Debtors*

**Exhibit A**

**Proposed Order**

UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO

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In re:	PROMESA
THE FINANCIAL OVERSIGHT AND	Title III
MANAGEMENT BOARD FOR PUERTO RICO,	No. 17 BK 3283-LTS
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**ORDER GRANTING URGENT MOTION FOR  
ENTRY OF ORDER ESTABLISHING HEARING DATES TO  
(I) DETERMINE THE ADEQUACY OF INFORMATION IN THE  
COFINA DISCLOSURE STATEMENT, (II) APPROVE THE RULE  
9019 SETTLEMENT OF THE COMMONWEALTH-COFINA  
DISPUTE IN THE COMMONWEALTH TITLE III CASE  
AND (III) CONFIRM THE COFINA PLAN OF ADJUSTMENT**

Upon the *Urgent Motion for Entry of Order Establishing Hearing Dates to (I) Determine the Adequacy of Information in the COFINA Disclosure Statement, (II) Approve the Rule 9019 Settlement of the Commonwealth-COFINA Dispute in the Commonwealth Title III Case and (III) Confirm the COFINA Plan of Adjustment* (the “Urgent Motion”);<sup>2</sup> and the Court having found it has subject matter jurisdiction over this matter pursuant to PROMESA section 306(a); and it appearing that venue is proper pursuant to PROMESA section 307(a); and the Court having found that the relief requested in the Urgent Motion is in the best interests of the Debtors, their creditors, and other parties in interest, it is **HEREBY ORDERED THAT:**

1. The Urgent Motion is granted as set forth herein.
2. A hearing to determine the adequacy of information in the COFINA Disclosure Statement shall be held on **November 20, 2018, at 10:30 a.m. AST (9:30 a.m. ET)** at the United States District Court for the Southern District of New York, **Daniel Patrick Moynihan Courthouse, 500 Pearl Street, New York, NY 10007, Courtroom 17C** or at a courtroom to be later determined.
3. The hearing to (i) approve the Settlement Motion, and (ii) confirm the COFINA Plan shall be held on **January 16, 2018, at 9:30 a.m. AST (8:30 a.m. ET) in San Juan**, and continued, if necessary, on **January 17, 2018 at 9:30 a.m. AST (8:30 a.m. ET) in San Juan** at the United States District Court for the District of Puerto Rico, **Clemente Ruiz Nazario United**

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<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings given to them in the Urgent Motion.

**States Courthouse, 150 Carlos Chardón Avenue, San Juan, P.R. 00918, Courtroom 5**, or at a courtroom to be later determined.

4. The Debtors reserve the right to seek a rescheduling of the hearing dates established above subject to approval of this Court.

5. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

6. This Order resolves docket entry no. [\_\_\_\_].

SO ORDERED.

Dated: \_\_\_\_\_, 2018  
San Juan, Puerto Rico

\_\_\_\_\_  
LAURA TAYLOR SWAIN  
United States District Judge